

Headquarters U.S. Air Force

Integrity - Service - Excellence

Worldwide Contracting Conference 2004



News from the

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Policy and Implementation
(Contracting)

Assistant Secretary (Acquisition)

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Overview



- Knowledge Management
- Use of Non-DoD Contracts
- Contracting as Business Advisor
- Contractors as Force Deployed
- Commercial Pricing
- Services Program
- Services Management Council
- Source Selection Policy
- Competitive FSS and MAC
- Make or Buy policy
- SAMP Guide
- Contractor Criminal Background Checks



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Knowledge Management

■ Vision



- Share knowledge throughout contracting community to improve **efficiency** and **effectiveness** of workforce

■ Promote & Institutionalize Knowledge Sharing

- Implementation and Training Team (ITT)
- Suggestion Box and Knowledge Sharer certificate
- Communities of Practice



Suggestion Box

■ AFFARS Library Enhancements

- Enhanced AFFARS, Integrated with MAJCOMs
- More Content, Alerts, Topical Index

■ New AQC Websites

- New restricted website **one-stop shopping** for contracting info
- New public website intended to help contractors do business w/AF



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Proper Use of Non-DoD Contracts



- Recent DoD & GSA audits revealed numerous problems with non-DoD contracts, particularly with GSA mgmt and oversight
 - Out of scope orders (Interrogation services for Abu Ghraib), using IT dollars for non-IT acquisitions, sloppy contracting, etc
- DoD to issue a policy on proper use of non-DoD contracts
 - ✓ Must be in best interest of the Department
 - ✓ Work must be in scope (DoD CO makes that determination)
 - ✓ Funding appropriation must be proper
 - ✓ DoD T & Cs must be incorporated (e.g. Buy American, UID, etc)
- DFARS case to be established
- AF procedures to be implemented when DoD memo is issued





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Contracting As Business



Advisory

- Expect changes to current MIPR process due to
 - Forthcoming OSD Policy on Use of Non-DoD Contract
 - Spring 2003 AFAA report
 - SAF/FM Transformation Initiative
 - SDO approval on MIPRs required for procurement outside DoD
- Looking to test/refine procedures piloted in AETC
 - Contracting review of MIPRs; hard-wired coordination via ABSS
- Issues
 - AQC/FMP to provide guidance/training to RAs, COs, and Certifying Officials
 - Manpower impacts; time/energy to MIPRs and provide advice
- Ensures requirement owners engage Contracting at front-end
 - Wider range of solutions considered--smart business decisions are made





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Contractor Personnel Supporting a Force Deployed Outside the U.S.



- DFARS clause and Procedures, Guidance and Information (PGI)
- DFARS clause used when:
 - Contractor personnel need to be available to deploy or provide support in theater when designated by the Combatant Commander
 - Covers pre-deployment requirements & deployment processing
 - Maintains accountability of contractor personnel in theater
 - Weapons – contractor use only if authorized by Combatant CC
 - Addresses evac, next of kin notification & mortuary services
 - Changes – allows for changes in addition to the changes clause





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Contractor Personnel Supporting a Force Deployed Outside the U.S.



- PGI – addresses the following questions:
 - How to plan for deploying contractor personnel?
 - Will the contractor provide essential services?
 - Are there any theater-specific requirements for contractors?
 - Will service be considered inherently governmental when bullets start flying?
 - How do you coordinate with the down-range contract admin office?
 - Are there applicable Bilateral Agreements?
 - What support will the Government provide for contractor personnel?
- PGI contains a sample Letter of Authorization
 - Required for contractor personnel to process through a deployment center
 - Outlines authorized support, e.g. force protection, quarters, transportation
 - Will aid in accounting for and tracking contractor personnel





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Commercial Pricing



- FASA assumed we'd save money buying commercially where competitive market forces dictate price
 - Some cases, we're paying more via FAR Pt 12 than we had under Pt 15
- Problematic to apply Pt 12 in non-competitive situation
 - Difficulty justifying price fair and reasonable; difficulty obtain data
- Inappropriate application of CI definition? "Of a Type" stretched
 - COs holding the line, but debate over CI determination takes time
- Ideas considered:
 - Regulation/policy proposal to tighten "of a type"
 - Require CO to document CI determination; consider ramifications of decision
 - Update training on CI acquisition and stand up COP to share ideas/issues
 - Issue getting plenty of attention from the IGs, GAO and Congress



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Services Program



- **Objective:** Establish a Customer-Focused Services Program

- Robust AFI 63-124
- Comprehensive Quality Assurance Program
- Oversight and Management Guidance
- Tools and training for the multi-functional team



- **Where are we today?**

- AFI 63-124, Performance-based Services Acquisition
 - Two-letter Review
 - Estimated Release: Jan 05

Services Program (cont'd)

- AFI 63-125, Perf Management Assessment Program
 - Incorporate requirements into AFI 63-501, Air Force Acquisition Quality Program
- Phase I, Quality Assurance Program Coordinator Program
 - Lackland Schoolhouse implementing interim change into course
- Phase II, Contract Specific Training
 - Posting draft structure to the ITT site for review



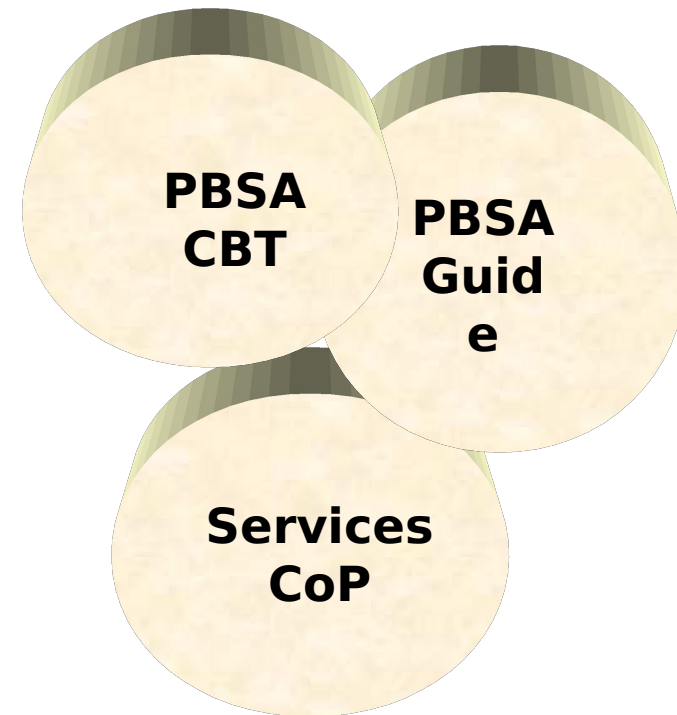


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Services Program (cont'd)



- PBSA
 - On-line PBSA training directed toward the multi-functional team
 - PBSA guide offering various approaches
 - Services Community of Practice
- Down selected subject matter expert





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Services Management Council

▪ Mission: Focus Senior Mgt on challenges and provide a cross-functional forum to improve the way we buy and manage Services

▪ Process: Identify/implement needed services initiatives

▪ Focus:

- Assessing the Quality Assurance Program
- Evaluating the 1910 career field

▪ **Council Members**

- AFPEO/CM
- SAF/AQC
- AF/ILP
- SAF/FMB
- SAF/SB
- SAF/USA
- AF/XOS-F
- AF/DPM
- AF/DPP
- SAF/ACE
- SAF/GCQ
- AF/SGR

▪ **Working Group**

▪ **Advisors**

- MAJCOMs
- DAU
- AFCESA
- AFCEE
- AFLMA
- AFSVA
- DCMA
- Industry

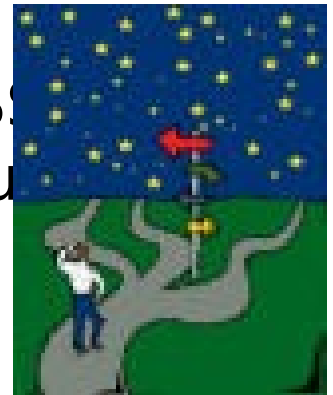


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Revised Source Selection Procedures



- Changes flow of procedures to better reflect actual flow of events
- Incorporates Mandatory Procedures MP5315.3 (Source Selection) and MP5315.5 (Pre-award, Award, and Post-award Notifications, Protests, and Mistakes) as an integral part of the AFFARS
 - MP5315.3 includes pop-up windows to notes (Informational Guidance)
 - IG consists of discussions, lessons learned, best practices, Hyperlinks to associated statutes, regulations, and other IG provided
- Eliminates Basic-Median-Agency structure
- Clarifies language (e.g., definition of deficiency, S establish competitive range, use of Simplified Source Selection Report permitted below \$100M).





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Competition Requirements for Federal Supply Schedules (FSS) and Multiple Award Contracts (MAC)



- Applies to Sole Source Orders
- FAC 2001-24, July 19, 2004
 - For FSS - changed approval levels and documentation requirements for sole source orders
 - Now consistent with FAR 6.304 justification and approval levels
- Director, Defense Procurement and Acquisition Policy Memo, September 13, 2004, Effective 1 October 2004
 - For FSS services over 100K, sole source order approval threshold is now same as FAR 6.304 justification and approval levels
 - For MAC - extended FAR 6.304 sole source order approval threshold to supplies and services

DFARS FSS and MAC Sole Source Approval Levels After DPAP Memo Effective 1 October 04

	FSS Orders: Sole Source, or waiver to competitive basis at 208.404-70*	MACs: Waivers to Fair Opportunity (FAR), or Competitive Basis at 216.505 **
Up to Micro-Purchase	N/A	N/A
Micro-Purch to \$100,000	No requirement	No requirement
\$100,000+ to \$500,000	Contracting Officer (higher, if agency elects)	Contracting Officer (higher, if agency elects)
\$500,000+ to \$10 Million	Contracting Officer determination (higher, if agency elects)	Contracting Officer determination (higher, if agency elects)
\$10 Million+ to \$50 Million	Contracting Officer (higher, if agency elects)	Contracting Officer (higher, if agency elects)
Above \$50 Million	Contracting Officer certification (higher, if agency elects)	Contracting Officer certification (higher, if agency elects)

* Note that the DFARS requirement to place all orders for services exceeding \$100,000 on a “competitive basis” is statutory and requires receipt of offers from at least three contractors.

** Note that the FAR requirement to give “fair opportunity” to all MAC holders when placing orders is statutory, and the DFARS requirement to place all orders for services exceeding \$100,000 on a “competitive basis” is statutory. Each requirement may be waived under certain conditions, and those conditions are statutory. As a result of DPAP’s memo, DFARS waiver approval thresholds are now the same as those in FAR 6.304 (J&A approval threshold).

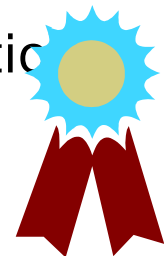


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Make or Buy Policy

- Concern with Industry Consolidation/Vertical Integration
 - Lack of Competition at Sub-tiers for Subsystems and Components
- OSD(AT&L) Issued policy requiring insight into subcontractor selection process
 - Acquisition Strategies should **foster competition**
 - Prime contractors must justify using in-house capability
- SAF/AQ Issued Supplemental Policy
 - Address Make or Buy plan in SAMPs for ACAT I-II programs
 - When warranted, require Make or Buy plan in solicitation
 - Make or Buy plan should explain how contractor will compete work
 - Evaluate Make or Buy plan in making **best value** award
 - Consider use of contract incentives to foster competition





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Single Acquisition Management Plan (SAMP) Guide



■ SAMP Guide - revised 24 Aug 04

- Updated SAMP approval authority for non-space related ACAT II programs to ASAF(A) and approval authority for ACAT III programs to PEO
- Administrative updates



■ Life Cycle Management Plan

- Consolidates the SAMP Guide and the Product Support Management Plan (PSMP) Guide
- Comprehensive document which integrates both acquisition and sustainment strategies from concept refinement to disposal
- Provides all support requirements
- Joint AF/ILM, SAF/AQX, and SAF/AQC memo - LCMP implementation



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Contractor Criminal Background



- AF Threat Working Group sponsored
- Contractors will be required to provide:
 - Listing of personnel requiring access
 - Consent forms
 - Criminal background histories (CBHs)
- SF will: collect documents, process access requests, and conduct random NCIC checks as validation of contractor acquired checks
- Piloting at Eglin, Fairchild, Sheppard, Lackland
- Expect AF-wide implementation in Spring 05
- Impact on COs (or designees):
 - Insert clause on all contracts requiring base access
 - Ensure contractor documentation is forwarded to Security Forces





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Questions?



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BACKUP CHARTS

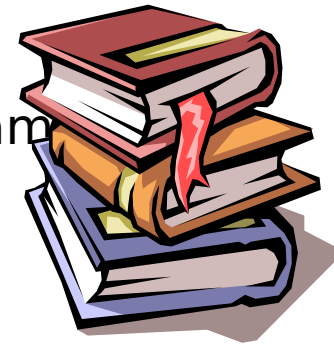




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Contracting AFIs in Revision



- AFI 64-102, Operational Contracting Program
 - Consolidates AFI 64-102 & AFI 64-109, Local Purchase Program
 - Defines roles and responsibilities for operational contracting
- AFI 63-124, Performance-based Services Acquisition
 - In coordination at SAF/AQC
- AFI 63-301, Air Force Competition and Commercial Advocacy

Program

- Coordination halted – program under review

- AFI 64-103, Leasing Non-Excess USAF Property to NGOs
 - Expands scope for all type of leases of non-excess personal property
 - Clarifies policy on charges to lessees
 - Includes new procedures for selection of lessees



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Status of Section 843

- Interim rule to DFARS to implement Section 843 NDAA FY 04
 - Provides contract period of task/delivery order contracts awarded pursuant to 10 U.S.C. 2304a may cover a total period of not more than 5 yrs (total period includes all options or modifications)
- Proposed draft final rule being staffed
 - Clarifies that the 5 year limit applies to the ordering period of the basic contract, not performance period of each order
 - Adds a limit on performance period of orders so they can't go past 1 year after the end of the contract ordering period without SPE approval
- FY05 NDAA may modify—until Conference Committee meets, there's no telling how this may change



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On Line Reps and Certs (ORCA)



- ORCA is an e-Government initiative developed to replace the paper based Representations and Certifications (Reps and Certs)
- Previously, vendors had to submit Reps and Certs for each individual large purchase contract award—
- Now, using ORCA, a contractor can enter their Reps and Certs information once for use on all Federal contracts
 - Benefits contractors by allowing them to maintain an accurate and complete record
 - Benefits the CO as they can view every record, including archives, with the click of a mouse
- Proposed FAR rule published in Jan 04; OFPP concurred with draft final rule in Aug 04; expect FAR change soon
- Corresponding DFARS change not yet developed for DoD-unique reps and certs



online representations and certifications application

Security Notice

Vendor

- Add Record
- Update Record

View ORCA Records

- Current
- Archived

Business Partner Network (BPN)

- AcqNet
- Help



FedBizOpps



Welcome to the Online Representations and Certifications Application (ORCA)

ORCA is an e-Government initiative that has been developed to replace the paper based Representations and Certifications (Reps and Certs) process.

Firms interested in architect-engineer contracts with the Federal government can also enter their general qualifications required by Standard Form 330, Part II. Submission of the SF 330 Part II through ORCA is voluntary. For FAQ's regarding SF 330 Part II in ORCA please [click here](#).

Please login to add a new record in ORCA

DUNS:

++ (if applicable)

MPIN:

*DUNS Number is a unique 9 digit identifier provided by Dun & Bradstreet (D&B). If you need assistance locating your DUNS number please visit www.ccr.gov or call D & B directly at 1-866-705-5711.

*MPIN is a code that acts as your password into many government systems including ORCA. This personal code is



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Consolidation of Contract Requirements

- Interim Rule – Implements Section 801 of FY04 NDAA - Effective 17 September 04 (DCN 20040917)
- Requirements over \$5M - restricts consolidating two or more separate requirements into a single solicitation and contract
- Acquisition strategy must include:
 - Results of market research
 - Identification of any alternative contracting approaches that would involve a lesser degree of consolidation
 - A determination by the senior procurement executive that the consolidation is necessary and justified
- Why? Ensure decisions regarding consolidation of contract requirements are made to provide maximum opportunity for small businesses